STATE OF MAINE
DIRIGO HEALTH AGENCY
211 WATER STREET, 53 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0053

JOHN ELIAS BALDACCI
GOVERNOR

KARYNLEE HARRINGTON
EXECUTIVE DIRECTOR

PRINCIPAL REASON OR PURPOSE FOR PROPOSING THIS RULE:

PL2005, Chapter 400, Part B, section B-2, 1 states:

1. **Definition of paid claims; first assessment year.** The Board of Directors of Dirigo Health shall adopt rules regarding the definition of paid claims under section 1 of this Part for the calculation of savings offset payments for the first 12-month calendar year period of savings offset payments, referred to in this section as "the first assessment year," due from health insurance carriers, 3rd-party administrators and employee benefit excess insurance carriers pursuant to the Maine Revised Statutes, Title 24-A, section 6913. In adopting these rules, the board shall take into account the recommendations of the working group established under section 1 with respect to the definition of paid claims and the methodology for calculating and invoicing savings offset payment assessments based on paid claims. Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

RECOMMENDED DEFINITION OF PAID CLAIMS

For the purpose of calculating savings offset payment assessments for health insurance carriers, third-party administrators and employee benefit excess insurance carriers, the term “paid claims” shall be defined as:

All payments made by health insurance carriers, third-party administrators and employee benefit excess carriers for health and medical services provided under policies issued pursuant to the laws of this State that insure residents of this State or, in the case of third-party administrators, for health care for residents of this State except that paid claims shall not include:

1. claims related expenses as defined in this section and general administrative expenses;

2. payments made to qualifying providers under a “pay for performance” or other incentive compensation arrangement if the payments are not reflected in the processing of claims submitted for services rendered to specific covered individuals;

3. claims paid by carriers and third-party administrators with respect to accidental injury, specified disease, hospital indemnity, dental, vision, disability income, long-term care, Medicare supplement or other limited benefit health insurance, except that claims paid for dental services covered under a medical policy shall be included;

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4. claims paid for services rendered to non-residents of this State;

5. claims paid under retiree health benefit plans that are separate from and not included within benefit plans for existing employees;

6. claims paid by an employee benefit excess carrier which have been counted by a third-party administrator for determining its savings offset payment;

7. claims paid for services rendered to persons covered under a benefit plan for federal employees; and,

8. claims paid for services rendered outside of this State to persons resident of this State.

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For the purposes of this definition of "paid claims" claims related expenses shall include:

1. payments for utilization review, care management, disease management, risk assessment, and similar administrative services intended to reduce the claims paid for health and medical services rendered to covered individuals, usually either by attempting to assure that needed services are delivered in the most efficacious manner possible or by helping such covered individuals to maintain or improve their health; and

2. payments made to or by organized groups of providers of health and medical services in accordance with managed care risk arrangements or network access agreements, which payments are unrelated to the provision of services to specific covered individuals.

In those instances in which a health insurance carrier, employee benefit excess insurance carrier, or third party administrator is contractually entitled to withhold certain amounts from payments due to providers of health and medical services in order to help assure that the providers can fulfill any financial obligations they may have under a managed care risk arrangement, the full amounts due the providers before application of such withholds shall be reflected in the calculation of "paid claims."

For the purposes of this definition of "paid claims" the phrase "health and medical services" shall include but not be limited to any services included in the furnishing of medical care, dental care to the extent covered under a medical insurance policy, pharmaceutical benefits, hospitalization including but not limited to services provided in a hospital or other medical facilities; ancillary services, including but not limited to ambulatory services; physician and other practitioner services including but not limited to services provided by a physician's assistant, nurse practitioner or midwife; and behavioral health services including but not limited to mental health and substance abuse services.